FINAL TRANSCRIPT

Amerigo Resources Ltd.

Q1 2024 Earning Conference Call

Event Date/Time: May 9, 2024 — 2:00 p.m. E.T.

Length: 39 minutes

CORPORATE PARTICIPANTS

Graham Farrell
Harbor Access – Investor Relations

Aurora Davidson
Amerigo Resources Ltd. – Chief Executive Officer

Carmen Amezquita
Amerigo Resources Ltd. – Chief Financial Officer

CONFERENCE CALL PARTICIPANTS

Steve Ferazani
Sidoti – Analyst

John Polcari
Mutual of America Capital Management – Analyst

John Tumazos
John Tumazos Independent – Analyst

PRESENTATION

Operator

At this time, I would like to welcome everyone to the Amerigo Resources Q1 2024 Earning Conference Call.

All lines have been placed on mute to prevent any background noise. After the formal remarks, there will be a question-and-answer session. If you would like to ask a question during this time, simply press star, then the number one on your telepad. If you would like to withdraw your question, please press star, two.

Thank you. Mr. Graham Farrell of Harbor Access Investor Relations, you may begin your conference.

Graham Farrell – Investor Relations, Harbor Access

Thank you, Operator. Good afternoon, and welcome, everyone, to Amerigo's quarterly conference call to discuss the Company's financial results for the first quarter of 2024. We appreciate you joining us today.

This call will cover Amerigo's financial and operating results for the first quarter ending March 31, 2024. Following our prepared remarks, we will open the conference call to a question-and-answer session.

Our call today will be led by Amerigo's Chief Executive Officer, Aurora Davidson, along with the Company's Chief Financial Officer, Carmen Amezquita .

Before we begin with our formal remarks, I would like to remind everyone some of this statements on this conference call may be forward-looking statements. Forward-looking statements may include, but are not necessarily limited to, financial projections or other statements of the Company's plans, objective expectations or intentions. These matters involve certain risks and uncertainties. The Company's actual results may differ significantly from those projected or suggested by any forward-looking statements due to a variety of factors which are discussed in detail in our SEDAR filings.

I'll now hand the call over to Aurora Davidson. Please go ahead, Aurora.

Aurora Davidson – Chief Executive Officer, Amerigo Resources Ltd

Thank you, Graham. Welcome to Amerigo's earnings call for the first quarter of 2024.

All dollar figures reported in the call are U.S. dollars, except where we specifically refer to Canadian dollars.

Amerigo's first quarter results were operationally and financially solid. Copper production (audio interference) guidance and cash costs outperformed guidance by 9 percent. Our average copper price during the first quarter was $3.95 per pound. That is not a bad price, but it is nowhere near what we have today. At this $3.95 copper price, Amerigo's financial results included net income of $4.3 million, EBITDA of $13.6 million and free cash flow to equity of $7.3 million. After my remarks, Carmen will provide a full recap of the quarterly financial results.

During the quarter, Amerigo's quarterly dividend to shareholders was $3.7 million, representing a 7.7 percent yield against our quarter and share price. The investment yield remains best-in-class at today's higher Amerigo share price. As you know, this secure quarterly dividend yield is only one of the ways in which we'll return capital to shareholders.

As mentioned our copper price in the first quarter was $3.95 per pound. In April, the average price increase to $4.30 and today's spot price is $4.41. This sharp increase in copper prices did not surprise us as it confirms our analysis of copper supply and demand dynamics. For several quarters, we have described the driving factors behind strong global copper demand and the factors hindering meaningful secular growth in global copper supplies. Demand is now outstripping supply. Global PMIs are coming in strong and improvement in manufacturing activity is expected to continue. Historically, recoveries in global manufacturing cycles positively correlate with copper prices.

In particular, recent Chinese PMI have been strong and there continues to be robust demand for green projects in China as was the case in 2023.

India manufacturing activity is also very robust, recording the strongest PMI (inaudible) of all countries in March. India's copper demand grew 16 percent in 2023, double digit growth as again expected this year. One study quotes that for each $1 million growth in Indian GDP, we will have a 300 percent kilogram growth in copper demand. Simply put, global copper demand continues to grow and as demand continues to grow, there are clear risks to copper supply.

Last year, global copper consumption was 25.4 million tonnes while global copper mine production was 22 million tonnes. Consumption grew, but copper mine supply remained flat last year. For 2024, copper consumption is expected to grow by 3.5 percent and refined copper production is expected to grow by 3.1 percent. However, global mine production, which is the (audio interference) copper production is stalling. Consumption is outpacing refined copper supply and mine production, which means the smelter that produces refined copper cannot be turned on like a light switch.

What needs to happen to get additional copper mine supply going? The old assumption that $4 per pound is the incentive price is no longer valid. This is clearly shown by the lack of recently sanctioned copper projects. The last time a batch of large copper projects was approved due to higher copper prices was in 2017 and 2018 with projects such as Quellaveco and QB2. However, the stronger copper prices we started to see in 2021 still has not incentivized miners to invest in new projects. Although our copper is insufficient to justify the risk of approving new copper projects, new capacity is coming primarily from expansion projects, not from greenfields, as used to be the case.

Copper miner has low expansion for over a decade due to higher capital costs, higher projected operational costs and more inflation. The permitting process are complex and they are lengthening with increased risk of resource nationalism. We also cannot ignore the declining quality of new projects. Copper prices were lower when copper was mined from higher grade mines or mine sectors. A company cannot mine its highest grade sections indefinitely, and as copper grades decrease, a higher price is required for profitability and most certainly to invest in new projects.

Earlier this year, $11,000 a ton, essentially $5 a pound, was floated as a new incentive price, but that is just one price point to consider. Robert Friedland, perhaps the most vocal copper supporter on long-term industry spokesman, says that in an incentive price of 15,000 (audio interference) 80 a pound is necessary to bring on new projects. If short-lived, a price spike to these levels cannot incentivize substantial new projects; copper miners would need a sustained period of higher prices to sanction new projects.

Of course, to say that Amerigo would flourish in this pricing environment would be quite an understatement. Our capital return strategy has been designed to quickly maximize our returns to investors under the pricing circumstances I have just described. Industry analysts estimate that at least $200 billion of investment is required in the next decade to fix a 10 million tonne copper deficit. That massive investment figure is based on current capital intensity estimates and does not reflect inflationary pressures that are occurring in the industry. In a moment, I will tell you another example of Amerigo's competitive advantage in this area.

To sum up my comments on the macro situation, we know that for the rest of this decade, there will be limited new copper supply coming online. We also know that a higher incentive price is required to bring additional capacity online and that there are long lead times to add supply. In our opinion, this market dynamics will establish a new floor price for copper. Justice occurred in 2003 with the industrialization and urbanization of China.

This is where we are now in Amerigo, strong copper prices, stable operations, controlled costs, low CapEx, declining debt levels, and a proven capital return policy.

The quarterly dividend of CA$0.03 per share is our live or die cash obligation to shareholders and it is very safe under these conditions. We're building up our cash decision to the desired target of $25 million, which happens very quickly under current copper prices. Additional cash will be distributed to shareholders via performance dividends, share buybacks, or a combination of both.

As a reflection of the increasingly positive market sentiment, the questions I received from shareholders have changed from at what copper price is a quarterly dividend safe, to whether we will be buying back shares or paying a performance dividend. The Board of Directors analyzes multiple elements to determine how best to allocate surplus cash for the benefit of shareholders. For example, we know that the timing of our cash generation cycle is inverse to the timing of buybacks. At higher copper prices, ample cash is generated to buy back shares, but this would typically occur at a higher share price because Amerigo's share price is so responsive to changes in copper price. Of course, in a perfect world, we prefer to buy back shares at lower prices, and in fact, that is what we have done.

Two thousand and twenty-one, Amerigo shares have been repurchased at an average price of CA$1.50. We're currently trading at CA$1.76, which is 17 percent above the average purchase price. However, the real strength of a capital return strategy we have is having multiple tools to return excess cash to shareholders quickly. We can use a quarterly dividend, a performance dividend based on elevated copper prices and size (phon) higher cash balances or share buybacks. These different tools amplify the effect of the shareholders long-term return on invested capital. It is also amplified because of how quickly the tangible effect of the strategy can be felt, particularly for the dividend components of the strategy.

Now I will provide a brief operational update. During the first quarter, we had another excellent safety record at MVC with no lost time accidents. In fact, on January 29 of this year, we celebrated two years without lost time at MVC. This is significant to all of us.

This week we're not producing copper at MVC as we're doing the annual plant maintenance shutdown. This is a planned event that we factor into our annual production guidance. It is a monumental endeavor as we bring in 667 additional workers to ensure we can complete more than 500 necessary projects when all the equipment is shut down. This shutdown is a crucial part of our operational planning as it allows us to maintain and upgrade our equipment, ensuring optimal production in the long run.

This shutdown period is also perfect for bringing any new production related projects online. MVC's standby power transformer, a significant risk mitigation project, is coming online this week. As you may recall, when we issued our 2024 guidance this release, we informed the market that we were evaluating two CapEx projects that would contribute to increasing production. We also indicated that the projects could be initiated this year subject to further technical analysis and higher copper prices. I am pleased to report that we are proceeding with these projects and want to tell you more about them.

Together, they will generate an additional 345 tonnes or around 760,000 pounds of copper per year once they are completed. The project will cost approximately $2.3 million, representing a very low CapEx intensity of $6,600 per ton, which is significantly lower than the $30,000 to $40,000 per tonne capital intensity, which is typically required today for new copper projects. This is a perfect example of the benefits of Amerigo's low capital needs and operational excellence.

The first project involves installing more uniform (audio interference) battery to improve the pumping equipment in that process stage. This should increase (audio interference) translates to (audio interference) production. The second project involves installing new operational control equipment in the cleaning stage to better control water, air, and level variables, further increasing efficiency.

This CapEx should be seen as “growth CapEx” and it makes sense to initiate them now with higher copper prices. The fact that the cost of the Amerigo’s growth is so much less than the rest of the industry is compounded by how quickly shareholders will feel the benefits. For example, the $3.80 copper price, the payback of the project is 15 months with the subsequent cash flows available to shareholders using any of our capital return strategy tools.

To end my remarks, I will tell you that we performed strongly in April and so did copper. The potential to return additional capital to shareholders this year should be very apparent whether through the payment of our first performance dividend, the retirement of shares, or a combination of both. As a shareholder, I believe this is a great place to be.

Last week on April the 30, we had Amerigo's Annual General Meeting of shareholders. I want to thank our shareholders for their patience and support as they voted in favor of all business items before the AGM.

Our next earnings call will be on August 1, 2024 to discuss the Q2 financial results. As usual, if you have further questions about Amerigo, Carmen, Graham or I are available anytime.

I will now ask Carmen Amezquita, Amerigo's Chief Financial Officer, to discuss the Company's financial results. Carmen, please go ahead.

Carmen Amezquita – Chief Financial Officer, Amerigo Resource Ltd.

Thank you, Aurora.

We are pleased to present the Q1 2024 quarterly financial report from Amerigo and its MVC operation in Chile. As Aurora mentioned, we are pleased to report strong financial results in the first quarter of 2024. We posted net income of $4.3 million, earnings per share of $0.03, and operating cash flow before changes in non-cash working capital of $10.2 million.

The comments on quarterly financial performance and quarter-on-quarter variances with Q1 2023 are as follows: copper production in Q1 2024 was 500,000 pounds lower quarter-on-quarter due to MVC's Production plan sequence. This decrease in production and the fact that Amerigo’s financial performance is sensitive to copper prices impacted our top line copper revenue.

The Company's Q1 2024 average copper price was $3.95 per pound, which was lower than the $4.02 per pound price we had in Q1 2023. Top line copper revenue was $61.3 million in Q1 2024 compared to $66.8 million in the comparative quarter. The notional items deducted from top line copper revenue were all lower quarter-on-quarter. These include DET royalties of $16.7 million, smelting and refining of $6.2 million and transportation of $0.4 million.

In Q1 2024, we had positive fair value adjustments to prior quarter sales of $1.5 million, which were lower than the $3.4 million in positive adjustments posted in Q1 2023. After these revenue deductions, copper tolling revenue in Q1 2024 was $39.5 million compared to $44.6 million quarter-on-quarter.

Our molybdenum revenue was lower this quarter at $5.5 million compared to $8 million primarily due to the decrease in moly prices. In Q1 2023, moly prices were exceptionally strong, surpassing $30 per pound. Therefore, Amerigo's final revenue numbers in Q1 2024 were $44.9 million, down from $52.6 million in Q1 2023, driven fundamentally by lower copper and moly prices.

However, our tolling and production costs also decreased 5 percent quarter-on-quarter to $37.1 million compared to $39.2 million in Q1 2023. Reasons for reduced tolling and production costs included decreases in direct costs of $1.6 million, which I will address shortly, and lower moly royalties to DET of $800,000 due to lower moly prices and lower plant administration costs of $500,000. Offsetting these lower costs was an increase in depreciation of $800,000 quarter-on-quarter from CapEx projects put into use at the end of 2023 that began to be depreciated during the quarter.

Regarding the performance of direct tolling and production costs, in Q1 2024, we faced lower power costs due to lower power consumption and lower pass through charges, lower grinding media costs due to less consumption and lower input costs and lower costs overall due to 17 percent weaker Chilean peso quarter-on-quarter. However, we did have higher line costs of $400,000 due to higher consumption associated with higher processing of Cauquenes' tailings and increased lime costs.

Our head office general and administration expenses were $1.3 million, consistent quarter-on-quarter. Other losses/gains included a loss of $41,000 compared to a gain of $1.5 million in Q1 2023, mainly an unrealized foreign exchange gain coming from an intercompany loan balance that was cleared out at the end of 2023. The Company's finance expense in Q1 2024 was $0.5 million compared to $0.8 million in the prior quarter. The difference mostly came from changes in the mark-to-market position of interest rate swaps.

The Company recognized an income tax expense of $1.7 million with a current tax expense of $3.1 million offset by deferred income tax recovery of $1.4 million. As a side note, most of the current tax expense occurs at the MVC level and under Chilean tax provisions, MVC is required to pay monthly installments on current year tax. This means that most of the actual tax expense for the year is being paid on the go, minimizing taxes payable and filing tax returns for the preceding year. All of the above items resulted in a quarterly net income of $4.3 million compared to $9.1 million quarter-on-quarter.

Before moving to the statement of financial position, I should mention two non-IFRS measures, cash cost and all in sustaining cost, which we started reporting this quarter.

Amerigo's cash cost in Q1 2024 was $1.96 per pound, increasing from $1.91 per pound quarter-on-quarter. However, this includes $0.07 per pound paid to MVC's supervisors as the signing bonus of a three-year collective labor agreement. The normalized cash cost excluding the effect of the signing bonus was $1.89 per pound. While this may look like only a $0.01 per pound reduction quarter-on-quarter, it's important to note that moly byproduct credits to cash costs were $0.15 per pound lower in Q1 2024 due to lower moly prices.

We've started reporting all-in sustaining costs this quarter to include cash costs plus DET royalties and depreciation. In other words, total cost plus sustaining CapEx and corporate G&A. In Q1 2024, our all-in sustaining cost was $3.57 per pound compared to $3.79 per pound in Q1 2023.

Moving on to the statement of financial position. On March 31, 2024, the Company had cash and cash equivalents of $13.8 million, restricted cash of $6.2 million and a working capital deficiency of $4.2 million, which was a significant reduction from the working capital deficiency of $12.3 million on December 31, 2023.

A significant change in working capital items was in accounts receivable, which increased by $7.2 million. In our receivable cycle, MVC received payment for most of these receivables during the first week of April. The totality of MVC's restricted cash is also now a current asset as $3.5 million will be released per the terms of the finance agreement on January 1, 2025.

Short-term debt came down as a $1.8 million payment was made during the first banking day of 2024. All other working capital items remain comparable to the December 31, 2023 balances.

Regarding cash flow during the quarter, Amerigo generated cash flow from operations of $10.2 million and the net cash flow generated in the quarter, including the changes in working capital, was $4.5 million. In terms of uses of cash, $1.1 million was used in investing activities for CapEx and $5.3 million was used in financing activities, which included $3.7 million in dividends paid to shareholders, a CA$0.03 per share, as well as $1.8 million in the repayment of borrowings.

As a final comment, our Q1 2024 copper sales were booked at a provisional copper price of $3.97 per pound. The final settlement prices for January, February and March 2024 sales will be the average LME prices for April, May, and June 2024, respectively. Each 10 percent change from the $3.97 per pound provisional price would result in a $6.3 million change in revenue in Q1 2024 regarding Q1 2024 production.

We now know the April price, which was $4.30 per pound. Therefore, the adjustment for Q1 2024 sales in April will be roughly $5.3 million, and today's spot price is $4.41 per pound.

We will report Amerigo's Q2 2024 financial results in August 2024 and thank you for your continued interest in this Company.

We will now take questions from call participants.

Q & A

Operator

Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. Should you have a question, please press star, followed by the one on your touchtone phone. You will hear a three-tone prompt acknowledging your request and your questions will be polled in the order they're received. Should you wish to decline from the polling process, please press star, followed by the two. If you are using a speakerphone, please lift the hand up before pressing any keys.

Your first question comes from Steve Ferazani with Sidoti. Your line is now open.

Steve Ferazani – Analyst, Sidoti

Thanks. Afternoon, Aurora, Carmen, appreciate all the detail on the call. I wanted to ask about cash costs because I know you were comparing it year-over-year, but if we look at it, the significant decline sequentially and also well below your guidance just given a couple months ago. Anything one-off in the quarter? I know you cited the weaker peso, but anything to say that this lower level of cash cost, particularly the normalized cash cost, (inaudible) see is more sustainable now?

Aurora Davidson – Chief Executive Officer, Amerigo Resources Ltd

Steve, thank you for the call. The Chilean peso has an impact, obviously, and we have provided all of the variability that one could expect on our guidance this release. In practice, we saw lower pass through charges as well. We don't know what the level of the charges is going to be from month-to-month, so we basically project in our budgeting process the most recent information plus any other changes that have been communicated to industrial consumers. So far in Q1, they were lower than what they were in the last quarter of 2023, so that's another source of impact.

We use less grinding bolts than we thought we would need. That varies depending on the mix of fresh and (inaudible) we are putting through the grinding circuit. On the other side, we did have, as Carmen mentioned, higher line costs. In general terms, we monitor the operation constantly. We're always looking for opportunities of cost containment. I would say our guidance remains valid for the rest of the year depending considerably on how the Chilean peso behaves. It's surprising to see what has happened with the Chilean peso. There is a significant decoupling between CLP performance compared to copper prices. Normally what you used to see years ago was a stronger Chilean peso in response to stronger copper prices. We haven't seen that yet this year. It may be lagging or it may be more of a structural.

Steve Ferazani – Analyst, Sidoti

Perfect. Thank you. In terms of the production optimization equipment, it sounds like you're installing them right now during this shutdown. Is that accurate? Are we going to see the benefits really as early as 3Q or what's your timing on that?

Aurora Davidson – Chief Executive Officer, Amerigo Resources Ltd

I wish it happened like that. It doesn't happen like that. The projects have just been approved essentially this week when we presented the capital allocation proposal to the Board of Directors, and we supported it with the technical analysis and with our projections for copper prices for the rest of the year. We are starting to work on them. Basically, once we've finished the current shutdown, which is taking place this week, it will take approximately seven months for works to be completed, and then we have to wait for another shutdown period to put that in place. That's one of the reasons why we wanted to accelerate that deployment and those early works now so that they will be ready for the next plant shutdown to come online.

Plant shutdowns have been occurring in May for the last years. They used to occur in January in prior years. We have to be ready for that in case that's when El Teniente will be having their 2025 shutdown. Don't adjust your projections for this year. This is basically getting ready for 2025 with those two projects.

Steve Ferazani – Analyst, Sidoti

Understood. Perfect. It sounded like Carmen indicated that so you had the receivables billed, but it sounds like that reversed rate at the beginning of April, if it did, then you should have been back up to about $20 million plus in cash last month. You're closing in on that target area where you might start considering a buyback again. Is that fair? Given where copper prices are now, you're probably closing in.

Aurora Davidson – Chief Executive Officer, Amerigo Resources Ltd

We're getting close

Steve Ferazani – Analyst, Sidoti

Okay. Last one for me. On second straight quarter, Cauquenes was a larger percentage of the mix than it historically has been over the last couple years. Any reason for that or is that just quarter-to-quarter shift?

Aurora Davidson – Chief Executive Officer, Amerigo Resources Ltd

That is in response to the feed or in response to the throughput that we get from El Teniente, and it is one of the advantages that we have spoken about in prior quarters. We have that flexibility. If we get lower throughput from El Teniente for their own mine sequencing or operational reasons, we can always go in and chunk up a little bit more of Cauquenes to keep up our production guidance online.

Steve Ferazani – Analyst, Sidoti

Any reason to think that could extend into this year or?

Aurora Davidson – Chief Executive Officer, Amerigo Resources Ltd

El Teniente had a (audio interference). It is factored into our plans this year that this will be resolved in the second half of the year, and we would then be able to revert back to our normal parameters. Q2, Q1 2023 are good comparison points there. But if that doesn't happen and if they need some more time to get back to their normal operational parameters, it's not of concern to us. We can continue doing what we've done in Q1.

Steve Ferazani – Analyst, Sidoti

Yes. Okay. Perfect. Thanks, Aurora. Thanks, Carmen.

Operator

Your next question comes from John Polcari with Mutual of America Capital Management. Your line is open.

John Polcari – Analyst, Mutual of America Capital Management

Thank you. Aurora, thank you for taking the call.

Operator

Ladies and gentlemen, as a reminder, should you have a question, please press star, followed by the one.

Your next question comes from John Tumazos with John Tumazos Independent Research. Your line is open.

John Tumazos – Analyst, John Tumazos Independent Research

Thank you. I was attentive, Aurora, to how optimistic you are about the future of the copper market. Do you plan to make larger capital investments to expand your milling complex because of the good outlook for copper? Or will you acquire other assets beyond your tie up with El Teniente to increase your exposure to the copper market?

Aurora Davidson – Chief Executive Officer, Amerigo Resources Ltd

John, our investments at MVC are at the optimal stage. We have done our expansion to increase our plant capacity. We worked that in conjunction with the mining plant from El Teniente. We're fine at MVC. Obviously, the outlook for copper is very strong, in our opinion, and we know how to operate very well with copper tailings. We look for these opportunities, but they have to be the right opportunities. We're not just going to go and seek operations that don't make economic sense. Obviously, with the stronger copper prices, I think that tailings will be an area of focus for other miners. They will see them as an area of opportunity rather than just an environmental liability. When that is the case, we're better positioned than anyone to work with other partners in recovering copper from copper tailings.

John Tumazos – Analyst, John Tumazos Independent Research

Thank you.

Operator

Your next question comes from John Polcari with Mutual of America. Your line is now.

John Polcari – Analyst, Mutual of America Capital Management

Thank you. Sorry about that. I'm not sure what happened. Aurora, just four quick questions. First, is there any possibility or discussion if copper prices continue to ramp up that you would move maybe to some partial hedging from a zero hedging strategy or at the moment and for the immediate future is that the continued strategy, just to stay completely unhedged?

Aurora Davidson – Chief Executive Officer, Amerigo Resources Ltd

We have no immediate plans of hedging. We are not looking at hedging right away, but we always analyze the cost and the potential benefits of doing that. But there's nothing in front of us right now.

John Polcari – Analyst, Mutual of America Capital Management

Okay. Secondly, the recently approved optimization projects, you might have answered this already. I was wondering what the estimated payback period was. You said something like seven months to complete, and then after that it would start to have an impact. Is that what I heard earlier?

Aurora Davidson – Chief Executive Officer, Amerigo Resources Ltd

It is seven months of preliminary works to get them in hookup mode, and then we will be waiting for—we need at least eight days of equipment shut down to bring them online. They're happening in 2025.

John Polcari – Analyst, Mutual of America Capital Management

Got it. Thanks. Then third question, what would be the level of sustainable cash balances that you'd be comfortable with for the Company, maybe $25 million or?

Aurora Davidson – Chief Executive Officer, Amerigo Resources Ltd

Its $25 million.

John Polcari – Analyst, Mutual of America Capital Management

I'm sorry.

Aurora Davidson – Chief Executive Officer, Amerigo Resources Ltd

Twenty-five million is the sweet number.

John Polcari – Analyst, Mutual of America Capital Management

Twenty-five, thanks. Then lastly, any possibility, I know there's been some talk over the years of possibly expanding the tailings relationship with Quellaveco. Any possible further discussions on that, where they would be willing to allow Amerigo to expand its existing facilities?

Aurora Davidson – Chief Executive Officer, Amerigo Resources Ltd

I think I answered that in the prior question.

John Polcari – Analyst, Mutual of America Capital Management

I was disconnected. Sorry.

Aurora Davidson – Chief Executive Officer, Amerigo Resources Ltd

Sorry about that. We remain interested for the right opportunities. There is no one else out there that has the experience recovering copper from copper tailings that are Amerigo does. As copper prices continue to be robust, copper tailings will be of interest in a different way for those tailings and we're the first candidate they should look at. There and then.

John Polcari – Analyst, Mutual of America Capital Management

Has there been an expression of interest maybe to expand their tailings processing arrangements or not at this time?

Aurora Davidson – Chief Executive Officer, Amerigo Resources Ltd

Well, with El Teniente, that's where we are at now. We are processing basically their fresh and token (phon) tailings, so that relationship has expanded over time and has led us to where we are now at our stage with MVC and El Teniente. They have six other mines. Eventually, they will probably be interested in doing something similar, and we'll be a prime candidate for them to consider, but there's nothing in front of us immediately to report back to you.

John Polcari – Analyst, Mutual of America Capital Management

Great. Thanks again and look forward to continued excellent management.

Operator

There are no further questions at this time. I will now turn the call over to Aurora for closing remarks.

Aurora Davidson – Chief Executive Officer, Amerigo Resources Ltd

Thank you. Thank you for joining us today. The recording and the script will be available on our website as soon as they come back from our providers. As I mentioned earlier, we will talk again on August 1 to discuss Q2 financial results. In the meantime, you can always reach out to myself, to Carmen or to Graham. Thank you very much for being with us today.

Operator

Ladies and gentlemen, this concludes your conference call for today. We thank you for participating and ask that you please disconnect your line.